

Allocations for Retiring Members

Retiring members are eligible to receive the extra allocations earned under the 3-1 Rule.

Example:

- ♦ A June 1 retiree who works 9 months during the school year earns extra allocations through August 31.
- ♦ A July 1 retiree who works the entire school year earns extra allocations through September 30.

The school system is required to provide the appropriate insurance allocation earned under the 3-1 Rule. PEEHIP assumes that the system will not pay the September allocation for June 1 retirees in most cases. June 1 retirees should continue to receive the active allocation through August.

The 3-1 Rule is handled in the same manner for retirees as for active employees regardless of whether they are paid on a 9-, 10-, 11- or 12-month basis.

Medicare

If a member or dependent is already Medicare-eligible due to age or disability at the time of his or her retirement, Medicare will become the primary payer and PEEHIP the secondary payer **effective on the date of the member's retirement.**

It is extremely important for the member and/or dependent to have Medicare Part A and Part B to assure adequate coverage with PEEHIP. The member will continue to earn the active allocation according to the 3-1 Rule, but Medicare will be the primary payer for claims beginning the date of retirement for Medicare-eligible members or dependents. If the member and only dependent are both eligible for Medicare, the reduced Medicare out-of-pocket cost will be deducted.

If a Medicare-eligible, active PEEHIP member is covered by his or her spouse's PEEHIP retired contract, Medicare must be the primary payer on the active PEEHIP member. The active, Medicare-eligible member will need Medicare Part A and Part B coverage.

If the active member does not want Medicare as his or her primary payer and does not want to enroll in Medicare Part B until retirement, he or she will have to enroll in a PEEHIP **active** contract and will not be able to combine allocations with the retired PEEHIP-eligible spouse. Most of the time, in this situation, active members must wait and enroll in their own PEEHIP medical plan during the Open Enrollment period or on their spouse's date of retirement. When the active Medicare eligible member retires, he or she will need to enroll in Medicare Part B. The effective date of Medicare Part B needs to be the date of retirement to avoid a lapse in coverage.

Most Medicare-eligible retirees and covered dependents should not enroll in the Medicare Part D coverage if they are covered by the PEEHIP Medicare Plus plan.